



JOSEPH KELLY
TREASURER AND TAX COLLECTOR

COUNTY OF LOS ANGELES TREASURER AND TAX COLLECTOR

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July 14, 2016

TO: Supervisor Hilda L. Solis, Chair
Supervisor Mark Ridley-Thomas
Supervisor Sheila Kuehl
Supervisor Don Knabe
Supervisor Michael D. Antonovich

FROM: Joseph Kelly 
Treasurer and Tax Collector

SUBJECT: **ADVANCE NOTIFICATION OF INTENT TO NEGOTIATE A SOLE
SOURCE EXTENSION, NOT TO EXCEED EIGHTEEN MONTHS, FOR
AGREEMENT NUMBER 76582 WITH COLUMBIA ULTIMATE, INC. FOR
CONTINUED MAINTENANCE AND SUPPORT OF THE COUNTY'S
DEBT COLLECTION SYSTEM**

In accordance with Board Policy 5.100, Sole Source Contracts, this correspondence provides notification to your Board that the Treasurer and Tax Collector (TTC) intends to enter Sole Source Contract extension negotiations with Columbia Ultimate, Inc. (Columbia Ultimate) for the continued maintenance and support of debt collection software. The extension is necessary so that we may complete the competitive solicitation process and implement a replacement system.

BACKGROUND

The existing sole source Agreement is required for the licensing, professional services, and on-going support and maintenance of Columbia Ultimate's proprietary software application, Revenue Plus Collection System, utilized and identified by the TTC and Probation Department (Probation) as the Collections and Accounts Receivable System (CARS) for delinquent debt owed to the County and to Probation, and for restitution owed to victims of crimes. The CARS interfaces with a collection agency under contract with the TTC and uploads collection referrals in an automated manner. On an annual basis, the TTC collects approximately \$26.5 million and adds approximately 91,000 new accounts to the CARS.

JUSTIFICATION

The TTC released a competitive solicitation for a replacement system in July 2015, and we have concluded contract negotiations with the most responsive and responsible proposer. During negotiations, we determined that the proposed commercial off the shelf system required additional configuration and customization to fully meet the County's needs. The foregoing is expected to take 18 months and as such, the TTC requires a transition period for the Agreement, which is currently set to expire on September 30, 2016.

The proposed sole source Amendment for the extension is necessary to avoid a disruption in current services, which includes, but is not limited to the following:

- 1) We will not be able to process debtor payments and implement our system of internal controls over collections.
- 2) We will not be able, as required by law, to submit certain accounts to the California Department of Social Services and California Franchise Tax Board for tax intercept.
- 3) Probation will not have the ability to perform their court ordered mandate of monitoring probationer payments of fines, fees, and victim restitution.

CONCLUSION

Unless otherwise directed by your Board, within ten business days from the date of this notification, July 28, 2016, we will proceed with sole source contract negotiations to extend the Agreement for a period not to exceed 18 months in order to complete the implementation processes. If successful, we plan to bring an extension amendment to your Board, together with the award of the new agreement, in August 2016.

Should you have any questions or require additional information, please contact me directly or your staff may contact Keith Knox, Chief Deputy Treasurer and Tax Collector, at (213) 974-0703 or kknox@ttc.lacounty.gov.

JK:KK:RM:EVT:kg

CARS NOI 7-14-16

c: Chief Executive Officer
Chief Information Officer
Chief Probation Officer
County Counsel
Executive Officer, Board of Supervisors